

CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC MEETING TO CONSIDER COMMUNITY AIR PROTECTION FUNDS SUPPLEMENT TO THE CARL MOYER MEMORIAL AIR QUALITY STANDARDS ATTAINMENT PROGRAM 2017 GUIDELINES

The California Air Resources Board (CARB or Board) will conduct a public meeting at the time and place noted below to consider a proposed Community Air Protection Funds Supplement to the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program or Program) 2017 Guidelines.

DATE: April 27, 2018

TIME: 9:00 a.m.

LOCATION: Sacramento County Administration Building
700 H Street
Sacramento, California 95814

This item will be considered at a meeting of the Board, which will commence at 9:00 a.m., April 27, 2018. Please consult the agenda for the meeting, which will be available at least ten days before April 27, 2018, to determine when this item will be considered.

Background

In 2017, Governor Brown signed into law Assembly Bill (AB) 617 (Chapter 136, Statutes of 2017) which directed CARB to establish the Community Air Protection Program. The focus of this new program is to reduce emissions and exposure in the communities most impacted by air pollution. Also in 2017, Governor Brown signed into law AB 134 (Chapter 14, Statutes of 2017), which allocated \$250 million in Fiscal Year 2017-18 Greenhouse Gas Reduction Funds (GGRF) to support the goals of AB 617 by achieving immediate reductions of mobile source emissions in disadvantaged and low-income communities. Under AB 134, these Community Air Protection Funds will be administered this year through the Moyer Program. Implementing air districts may also choose to direct up to 40 percent of the funds to Proposition 1B: Goods Movement Emission Reduction Program (Proposition 1B) clean truck projects. AB 134 distributed the funds as follows:

- \$107.5 million to the South Coast Air Quality Management District
- \$80 million to the San Joaquin Valley Air Quality Management District
- \$50 million to the Bay Area Air Quality Management District
- \$12.5 million to other California air districts, as determined by CARB in consultation with the districts

The proposed Community Air Protection Funds Supplement to the Moyer Program Guidelines (Guidelines Supplement) will facilitate timely action to achieve immediate emission reductions in disadvantaged and low income communities. The Moyer Program and Proposition 1B projects supported through these funds, authorized by current program guidelines and the Guidelines Supplement, will be the first reductions achieved in support of AB 617. In subsequent actions, the Board will consider AB 617 requirements related to emissions monitoring, reporting, and regulatory strategies.

The Moyer Program has successfully reduced smog-forming and toxic emissions in California through incentive grants to vehicle and equipment owners. Over the past 20 years, since the program began in 1998, CARB has worked alongside local air districts to implement about \$980 million in Moyer Program projects, cleaning up over 60,000 engines and reducing ozone precursors by 183,000 tons and particulates by 6,700 tons. Program grants provide a significant share of the cost of cleaner engines for grant recipients and help stimulate the manufacturing of cleaner technologies. The Board-approved 2017 Moyer Program Guidelines specify project eligibility criteria and cost-effectiveness calculations, among other things, whereas the Moyer Program is administered at the local level by air districts who solicit and select the projects.

Moyer Program grants fund a wide variety of project types, including the replacement and repower of heavy-duty trucks, transit and school buses, off-road construction and agricultural equipment, marine vessels, locomotives, and infrastructure projects, such as electric charging stations. Each year the Program funds remove older, high-polluting engines that would have operated for years to come.

The Proposition 1B: Goods Movement Emission Reduction Program is a partnership between CARB and local agencies (like air districts and ports) to quickly reduce air pollution emissions and health risk from freight movement along California's trade corridors. CARB provides funding to eligible agencies; those agencies then offer financial incentives to owners of equipment used in freight movement to upgrade to cleaner technologies prior to regulatory requirements.

Proposed Action

Staff recommends Board approval of the proposed Community Air Protection Funds Supplement to the Moyer Program Guidelines. If approved, the Guidelines Supplement would modify the Moyer Program Guidelines approved by the Board in April 2017, for the express and limited purpose of expediting projects supported by and delivering reductions in burdened communities. The proposed Guidelines Supplement would provide latitude for the Community Air Protection funds that is not present for other funds directed to the Moyer Program. The Moyer Program has statutorily prescribed elements for cost-effectiveness and surplus emission reductions, and these are preserved in the Guidelines Supplement. However, other Guideline changes have been identified, following consultation with air districts and community workshops that would serve to broaden program participation and help achieve the goals of AB 617.

Staff has identified below several key elements of the proposed Guidelines Supplement. Each change would preserve adherence to Moyer Program statutes (Health and Safety Code § 44275-44299.2), but assist in putting Community Air Protection funds to work more quickly, by doing one or more of the following:

- Increase grant amounts for replacing older vehicles and equipment;
- Broaden project eligibility;
- Add focus to projects that would address neighborhood-scale pollution, such as school buses, delivery trucks and improved infrastructure for electric vehicles.

The elements of the proposed Guidelines Supplement below would achieve one or more of the objectives above.

Reduce the cost of participation in the Program for applicants in disadvantaged and low-income communities. For Community Air Protection projects, the Guidelines Supplement would make several changes to reduce the overall cost of new engines for potential Moyer Program applicants. Mechanisms to make grants more attractive for projects benefiting disadvantaged and low income communities would include waiver or adjustment of State funding caps, increasing the percentage of project cost paid by the Moyer Program, or directly reducing applicant share of the cost.

Add greater flexibility for school buses. Moyer Program school bus projects already support the goals of AB 617, with widespread public approval and support. The Guidelines Supplement would improve the ability of the Moyer Program to support school bus projects, by (1) extending school bus cost-effectiveness limits to private school bus fleets serving public schools; (2) allowing average fleet usage to be used to determine grant amounts, and (3) ensuring that the oversubscribed applications from the Rural School Bus Pilot Project are eligible for Community Air Protection funds.

Clarify eligibility requirements for transport refrigeration units. Many ports, railyards, and distribution centers operate in or near disadvantaged and low-income communities. Diesel engine operation at these freight hubs is a specific and growing concern, including engines used for refrigeration. The Guidelines Supplement would add clarity to encourage funding of electric and hybrid transport refrigeration units and the infrastructure to support them.

The Guidelines Supplement would work alongside the 2017 Moyer Program Guidelines and 2015 Proposition 1B: Goods Movement Emission Reduction Program Guidelines to enable air districts to expedite incentive projects that immediately reduce emissions in communities heavily burdened by air pollution. Funds for such projects, to be selected by air districts in consultation with participating organizations and individuals in those communities, serve as a down payment on the commitment of AB 617 to comprehensively monitor and reduce exposure to air pollution at the neighborhood level.

CARB staff will present a report on the Proposed Guidelines Supplement at the meeting. A written staff report and the proposed Guidelines Supplement will be available for a 45-day public comment period beginning March 12, 2018. Copies of the report may be obtained from CARB's Public Information Office, 1001 I Street, First Floor, Environmental Services Center, Sacramento, California, 95814, Monday, March 12, 2018. The report may also be obtained from CARB's website at <https://www.arb.ca.gov/msprog/cap/capfunds.htm>.

Interested members of the public may present comments orally or in writing at the meeting and may provide comments by postal mail or by electronic submittal before the meeting. To be considered by the Board, written comments not physically submitted at the meeting must be received **no later than 5:00 p.m., Thursday, April 26, 2018**, and addressed to the following:

Postal mail: Clerk of the Board, California Air Resources Board
1001 I Street, Sacramento, California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone number, email, etc.) become part of the public record and can be released to the public upon request.

CARB requests that written statements on this item be filed at least ten days prior to the meeting so that CARB staff and Board members have additional time to consider each comment. Further inquiries regarding this matter should be directed to Kyle Goff, Air Pollution Specialist, Incentives Oversight Section, at (916) 324-1988 or (designated back-up contact) Doug Thompson, Manager, Incentives Oversight Section, at (916) 322-6922.

ENVIRONMENTAL ANALYSIS

CARB, as the lead agency under the California Environmental Quality Act (CEQA), has reviewed the proposed Guidelines Supplement and determined it is not a "project" subject to CEQA because it constitutes the creation of a government funding mechanism or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. A brief explanation of the basis for reaching this conclusion is included in Chapter IV of the Staff Report.

SPECIAL ACCOMMODATION REQUESTS

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the meeting;
- Documents made available in an alternate format or another language; and
- A disability-related reasonable accommodation.

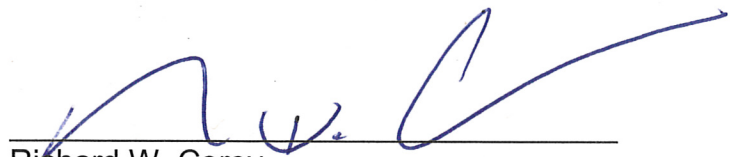
To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than ten business days before the scheduled Board meeting. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia;
- Documentos disponibles en un formato alternativo u otro idioma; y
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de diez días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

CALIFORNIA AIR RESOURCES BOARD


 Richard W. Corey
 Executive Officer

Date: *March 8, 2018*

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website at www.arb.ca.gov